

The City Council of the City of Newton held a regular meeting at 7:30 PM on Tuesday, February 3, 2004 at City Hall with the following present: Mayor Robert Mullinax, Council Members Wayne Dellinger, Al Gaither, Tom Dixon, Tom Rowe, Anne Stedman, Roy Johnson, City Manager Edward Burchins, City Attorney Larry Pitts, Assistant City Manager Glenn Pattishall and City Clerk Rita Williams.

ITEM 1 - CALL TO ORDER.

Mayor Mullinax called the meeting to order and welcomed citizens in the audience. He thanked Public Works and Utilities Director Marty Wilson and his staff for their hard work during the recent snow and ice storm.

ITEM 2 - OPENING.

Council Member Rowe welcomed citizens in the audience, gave the invocation and led the Pledge of Allegiance.

ITEM 3 - APPROVAL OF MINUTES OF THE JANUARY 21, 2004 REGULAR MEETING AND JANUARY 21, 2004 CLOSED SESSION.

A motion was made by Council Member Dellinger, seconded by Council Member Rowe, and unanimously adopted that the minutes of the January 21, 2004 regular meeting and January 21, 2004 closed session be approved as submitted.

ITEM 4 - CONSIDERATION OF APPROVAL OF CONSENT AGENDA ITEMS.

A motion was made by Council Member Johnson, seconded by Council Member Stedman, and unanimously adopted that the following items on the Consent Agenda be approved:

- A. Consideration of modifications to ElectriCities Emergency Assistance Program. (adopted)
- B. Consideration of budget amendment to recognize revenues and provide expenditures for Local Law Enforcement Block Grant for the Police Department STAR team. (adopted)

ORDINANCE #2004.7 ATTACHED

- C. Consideration of budget amendment to recognize revenues and provide expenditures for Prodelin Economic Development Incentive. (adopted)

ORDINANCE #2004.8 ATTACHED

- D. Consideration of budget amendment to recognize insurance proceeds and provide expenditures in the appropriate operating departments for repair. (adopted)

ORDINANCE #2004.9 ATTACHED

ITEM 5 - OLD BUSINESS:

- A. Consideration of budget amendment to correct revenues for funding the wash facility at Public Works.

Finance Director Jim Baker reported that upon adoption of the FY 2003-04 budget, \$150,000 of General Fund fund balance was appropriated to pay for a wash facility at

Public Works. However, during the CIP project discussion, the Council agreed to fund this facility with proceeds from borrowing. He stated the budget ordinance amendment being proposed reflected the corrected revenues for the wash facility.

A motion was made by Council Member Gaither, seconded by Council Member Rowe, and unanimously adopted to approve the budget amendment as requested.

ORDINANCE #2004.10 ATTACHED

B. Consideration of budget amendment to recognize revenues and provide expenditures for Year 3 of the COMMSCOPE Economic Development Incentive Grant.

Finance Director Jim Baker reported that on January 19, 2000, the City of Newton entered into a Joint Economic Development Agreement with COMMSCOPE, Inc. of North Carolina. Under this agreement, COMMSCOPE estimated that over a five-year period, they would make improvements anticipated to be \$50,000,000.00 to the old R.R. Donnelly building. Under the agreement, the City of Newton has provided an Economic Development Incentive package which provides for an Economic Development Incentive Grant equal to 100% reimbursement of taxes paid on the improvements for five years provided certain levels of improvements were met. For year three of the Agreement, COMMSCOPE made \$19,294,836.00 worth of improvements and remitted to the Catawba County Tax Collector on behalf of the City taxes in the amount of \$84,897.28 that is attributable to the Agreement. Mr. Burchins recommended the Council adopt a budget amendment to recognize the additional revenue of \$84,897.28 and appropriate an expenditure of \$84,897.28 to be reimbursed to COMMSCOPE in accordance with the Agreement.

After Council discussion, a motion was made by Council Member Johnson, seconded by Council Member Rowe, and unanimously adopted to approve the budget amendment as requested.

ORDINANCE #2004.11 ATTACHED

ITEM 6 - NEW BUSINESS:

Mayor Mullinax thanked the Council, the press and members of the community who participated for their hard work and dedication shown during the Council's planning work session.

ITEM 7 - CITY MANAGER'S REPORT.

City Manager Burchins reported that the City has a 1981 fire engine which needs to be replaced. Last year about this same time, a decision was made to piggy-back on a bid with another City to purchase a pumper. He said the staff would like to do the same again this year which would be to piggy-back on that same bid and receive a new fire truck within the next 12-14 months. In order to do this, the City is required to advertise its intent to undertake a piggy-back process and then award a bid at the February 18th meeting. He requested the Council allow the staff to do this.

After Council discussion regarding the condition of the fire truck being replaced for purchase of a new truck, there was consensus for the staff to advertise the City's intent to undertake a piggy-back process to purchase a new fire truck. The staff is to report back at the February 18th meeting for Council consideration on purchase of the truck.

Mr. Burchins reported that the City has received a request from Paul Walker of Walker's Pharmacy that he be allowed to put up a drive-thru window on the 1st Street side of his drugstore. Mr. Burchins presented a drawing of the proposed window as how

it could be done but it would encroach on City property. He asked the Council for their thoughts on the matter.

There was considerable Council discussion regarding whether the exit of the drive-thru would cause vehicles to come out into the lane of traffic, a needed drawing to scale, whether the sidewalk and curb would be removed on 1st Street, safety issues and other possible alternatives. Afterwards, there was Council consensus that the staff provide more information and present it to the Council at a later meeting.

ITEM 8 - QUESTIONS FROM MAYOR AND COUNCIL. NONE

ITEM 9 - CLOSED SESSION TO DISCUSS LOCATION/EXPANSION OF BUSINESS OR INDUSTRY (G.S. 143-318.11(a)).

Mayor Mullinax stated that the Council needed to have a Closed Session to discuss location/expansion of business and to consult with the City Attorney.

After the Closed Session, Mayor Mullinax called the Council meeting back into session.

A motion was made by Council Member Johnson, seconded by Council Member Gaither, and unanimously adopted that since the position of Electricities regarding cogeneration has changed; and due to present market conditions, the Council finds that the City has two generators which cannot be used to shave peak power and declares them to be surplus.

There being no further business, a motion was made by Council Member Dellinger, seconded by Council Member Gaither, and unanimously adopted that the meeting be adjourned.

Respectfully submitted,

Robert A. Mullinax, Mayor

Rita K. Williams, City Clerk